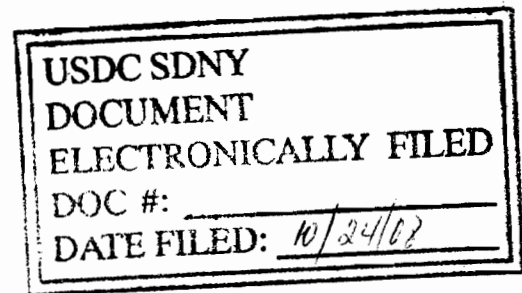


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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
PIER LUIGI CATTO, et al.,

Plaintiffs,

-against-

THE REPUBLIC OF ARGENTINA,

Defendant.
-----X

07 CV 937 (TPG)

~~PROPOSED~~ ORDER
AND OPINION

Plaintiffs are the beneficial owners of certain bond indebtedness issued by defendant, the Republic of Argentina. The Republic defaulted on such indebtedness in December 2001 during a profound fiscal crisis. Plaintiffs are suing to recover amounts due to them as a result of the default and have moved for summary judgment.

The motion is granted.

FACTS

The bond indebtedness at issue is governed by one of two agreements: (1) a Fiscal Agency Agreement dated October 19, 1994 (the "1994 FAA"), or (2) a Fiscal Agency Agreement dated December 10, 1993 (the "1993 FAA"). The 1994 FAA is the same agreement that governed the bond indebtedness on which this court granted summary judgment to the plaintiffs in Lightwater Corporation Ltd. v. Republic of Argentina, No. 02 Civ. 3804, 2003 WL 1878420 (S.D.N.Y. Apr. 14, 2003). Section 22 of the 1994 FAA and Section 20 of the 1993

FAA state that the Republic waives sovereign immunity and consents to jurisdiction in any state or federal court in the borough of Manhattan in the City of New York. All two agreements provide that the Republic's obligations on the bonds are unconditional and that failure to make any payment of principal or interest for 30 days after the applicable payment date constitutes an event of default. A declaration by the Republic of a moratorium on the payment of principal or interest on its public external indebtedness is an event of default as well. Paragraph 12 of the 1994 FAA provides for acceleration of principal if there is a failure to pay interest or a moratorium. If either of these events occurs,

each holder of Securities and such Series may by such notice in writing declare the principal amount of Securities of such Series held by it to be due and payable immediately

On December 24, 2001 the Republic declared a moratorium on payments of principal and interest on the external debt of the Republic. The court refers to its previous opinions for a description of the circumstances of these defaults. Lightwater, 2003 WL 1878420, at *2; Applestein v. Republic of Argentina, No. 02 Civ. 1773, 2003 WL 1990206, at *1 (S.D.N.Y. Apr. 29, 2003). In or about February 7, 2007, plaintiffs sent notices to Bankers Trust Company, the Fiscal Agent of the Republic of Argentina, declaring the principal amounts of the debt securities governed by the 1994 FAA and the 1993 FAA to be immediately due and payable.

The bonds that are the subject of this action are listed hereafter. Also listed are the amounts of the beneficial interests owned by each plaintiff.¹

¹ The court notes the distinction between bonds and beneficial interests. In some previous opinions, the court has simply referred to the plaintiffs as owners of "bonds," when in fact plaintiffs are technically owners of "beneficial interests in bonds." The Republic actually issues "a bond" to a depository. The depository, in some form, issues "participations" to brokers, who sell "beneficial interests" to purchasers. These beneficial interests are identified by reference to the underlying bond (CUSIP or ISIN number or both; date of issuance and maturity; rate of interest) and the principal amount of the beneficial interest. This distinction is discussed more fully in Million Air Corp. v. Republic of Argentina, No. 04 Civ. 1048, 2005 WL 256126 (S.D.N.Y. Oct. 17, 2005).

The following tables contain the necessary identifying information regarding each plaintiff's beneficial interests in bonds.

Table 1.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	PIER LUIGI CATTO, COSTANTINO CATTO and GIUSEPPE CATTO
<u>Face Value:</u>	U.S. \$310,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. US040114AH34
<u>Date Of Issuance:</u>	December 20, 1993
<u>Date Of Maturity:</u>	December 20, 2003
<u>Interest Rate/Payable:</u>	8.375 %
<u>Date Of Purchase:</u>	Between May 30, 2006 and July 5, 2006
<u>Acceleration:</u>	February 7, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of December 10, 1993 (the "1993 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statements from Intesa San Paolo Private Banking, dated for the period of January 1 to March 31, 2007 and for the period of January 1 to March 31, 2008; and letter and account statement from Banca Passadore & C Private Banking, dated as of April 27, 2007 and April 24, 2008, respectively.

Table 2.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	PIER LUIGI CATTO, COSTANTINO CATTO and GIUSEPPE CATTO
<u>Face Value:</u>	U.S. \$3,221,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. US040114GF14
<u>Date Of Issuance:</u>	June 19, 1999
<u>Date Of Maturity:</u>	December 19, 2008
<u>Interest Rate/Payable:</u>	7 % / 15.5%
<u>Date Of Purchase:</u>	Between May 12, 2006 and July 3, 2006
<u>Acceleration:</u>	February 7, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statement from Intesa San Paolo Private Banking, dated for the period of January 1, 2007 to March 31, 2007 and for the period of January 1, 2008 to March 31, 2008; and letter and account statement from UBI Banca Regionale Europea, dated as of May 7, 2007 and March 31, 2008, respectively.

Table 3.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	PIER LUIGI CATTO, COSTANTINO CATTO and GIUSEPPE CATTO
<u>Face Value:</u>	U.S. \$2,145,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. US040114BE93
<u>Date Of Issuance:</u>	April 7, 1999
<u>Date Of Maturity:</u>	April 7, 2009
<u>Interest Rate/Payable:</u>	11.750 %
<u>Date Of Purchase:</u>	Between May 12, 2006 and July 3, 2006
<u>Acceleration:</u>	February 7, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Letter and an account statement from Banca Passadore & C Private Banking, dated as of April 27, 2007 and April 24, 2008, respectively; letter and an account statement from UBI Banca Regionale Europea, dated as of May 7, 2007 and March 31, 2008, respectively; and letter and an account statement from Banca di Caraglio del Cuneese e della Riviera dei Fiori, dated as of April 30, 2007 and December 31, 2007, respectively.

Table 4.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	PIER LUIGI CATTO, COSTANTINO CATTO and GIUSEPPE CATTO
<u>Face Value:</u>	U.S. \$5,220,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. US040114FC91
<u>Date Of Issuance:</u>	March 15, 2000
<u>Date Of Maturity:</u>	March 15, 2010
<u>Interest Rate/Payable:</u>	11.375 %
<u>Date Of Purchase:</u>	Between May 12, 2006 and July 3, 2006
<u>Acceleration:</u>	February 7, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the “1994 FAA”)
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Letter and an account statement from UBI Banca Regionale Europea, dated as of May 7, 2007 and March 31, 2008, respectively.

Table 5.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	PIER LUIGI CATTO, COSTANTINO CATTO and GIUSEPPE CATTO
<u>Face Value:</u>	U.S. \$2,096,000
<u>CUSIP No., ISIN No., BB No.:</u>	ISIN No. US040114GD65
<u>Date Of Issuance:</u>	February 21, 2001
<u>Date Of Maturity:</u>	February 21, 2012
<u>Interest Rate/Payable:</u>	12.375 %
<u>Date Of Purchase:</u>	March 28, 2003 and between May 12, 2006 and July 3, 2006
<u>Acceleration:</u>	February 7, 2007
<u>Contract Documents:</u> (FAA; Indenture; Offering Prospectus; Certificates, etc.)	Fiscal Agency Agreement, dated as of October 19, 1994 (the "1994 FAA")
<u>Evidence of Ownership Proffered:</u> (Account Statements; Letters; Notarized Statements, etc.)	Account statements from Intesa San Paolo Private Banking, dated for the period of January 1, 2007 and March 31, 2007 and for the period of January 1, 2008 and March 31, 2008; and letter and an account statements from UBI Banca Regionale Europea, dated as of May 7, 2007 and March 31, 2008, respectively.

DISCUSSION

This Court has already granted summary judgment in other cases to plaintiffs seeking to collect on the Republic's defaulted bonds issued under the 1994 FAA and the 1993 FAA. This has occurred in Lightwater, supra, Mazzini v. Republic of Argentina, No. 03 Civ. 8120, 2005 WL 743090 (S.D.N.Y. Mar. 31, 2005), and other cases. Only certain specific issues need to be discussed in connection with the present motion.

Standing and Proof of Ownership

In the two opinions in Fontana v. Republic of Argentina, 415 F.3d 238 (2d Cir. 2005), and Applestein v. Province of Buenos Aires, 415 F.3d 242 (2d Cir. 2005), the Second Circuit has held that an owner of a beneficial interest, such as plaintiffs here, must receive authorization from the registered holder of the bond before it may sue, but that such authorization may be granted subsequent to the filing of a lawsuit. Alternatively, the Republic may waive the authorization requirement.

The Republic has agreed to waive objections based on lack of authorization where the court makes a finding of current ownership. See Transcript, March 28, 2006, Cilli v. Republic of Argentina (04 Civ. 6594).

Here, plaintiffs have adequately demonstrated through their account statements that they owned their beneficial interests as of March, April, May and December 2007, and March and April 2008. There is no evidence of any change of ownership thereafter.

CONCLUSION

The motion for summary judgment is granted. Judgment will be entered for the principal amount of the bonds issued under the 1994 FAA and the 1993 FAA plus accrued interest.

The parties shall consult with one another concerning the form of the judgment and the amounts of interest that should be awarded in the judgment. If the parties are able to reach agreement, they shall jointly submit an agreed proposed judgment to the Court to be entered on a date agreed to by the parties upon consultation with Chambers. If the parties are unable to reach agreement on those subjects, plaintiff shall submit a proposed judgment to the Court, and the Republic shall submit any objections to the proposed judgment within five business days thereafter. The Court will then resolve any remaining disagreements. Proposed judgments submitted to the Court should include the following language: "It is further ORDERED that, until further notice from the Court, plaintiff(s) must refrain from selling or otherwise transferring their beneficial interest in the bond(s) involved in this action without advising the Court in advance and obtaining permission of the Court."

SO ORDERED.

Dated: New York, New York
October 22, 2008

A handwritten signature in black ink, reading "Thomas P. Griesa", written over a horizontal line.

THOMAS P. GRIESA
U.S.D.J.

Ref. 503 Pier Luigi Catto - Costantino Catto - Giuseppe Catto - Calculations

A. Bond 1 Global 12-20-2003 ISIN US040114AH34 RATE 8,375% (assuming 10/22/2008)

Notice of Acceleration - February 7, 2007

1. Interest on principal

Principal Amount	Missed Interest payments		Interest		Days	Rate	360	Interest on Principal
	Maturity Date	Interest	From	To				
310,000.00	06/20/2002	12,981.25						12,981.25
	12/20/2002	12,981.25						12,981.25
	06/20/2003	12,981.25						12,981.25
	12/20/2003	12,981.25						12,981.25
			20-Dec-03	22-Oct-08	1,742	8.375%	360	125,629.65
TOTAL INTEREST								177,554.65

2. Interest on interest

	Payment of	Due on	To	Days	Rate		Interest on Interest
	12,981.25	20-Jun-02	22-Oct-08	2,316	9%	365	7,413.18
	12,981.25	20-Dec-02	22-Oct-08	2133	9%	365	6,827.43
	12,981.25	20-Jun-03	22-Oct-08	1951	9%	365	6,244.87
	12,981.25	20-Dec-03	22-Oct-08	1768	9%	365	5,659.11
TOTAL INTEREST ON INTEREST							26,144.59

3. TOTAL DUE ON BOND 1

Principal Amount							310,000.00
Total on Interest							177,554.65
Total Interest on interest							26,144.59
TOTAL							513,699.25

Ref.: 503 Pier Luigi Catto - Costantino Catto - Giuseppe Catto - Calculations

B. Bond 2 Global 12-19-2008 ISIN US040114GF14 RATE 7% /15,50 % (assuming 10/22/2008)

Notice of Acceleration - February 7, 2007

1. Interest on principal

Principal Amount	Missed Interest payments		Partial Interest		Days	Rate	360	Interest on Principal
	Maturity Date	Interest	From	To				
3,221,000.00	06/19/2002	112,735.00				7%		112,735.00
	12/19/2002	112,735.00				7%		112,735.00
								-
	06/19/2003	112,735.00				7%		112,735.00
								-
	12/19/2003	112,735.00				7%		112,735.00
								-
	06/19/2004	112,735.00				7%		112,735.00
								-
	12/19/2004	249,627.50				15.50%		249,627.50
								-
	06/19/2005	249,627.50				15.50%		249,627.50
								-
	12/19/2005	249,627.50				15.50%		249,627.50
								-
	06/19/2006	249,627.50				15.50%		249,627.50
								-
	12/19/2006	249,627.50				15.50%		249,627.50
								-
	06/19/2007	249,627.50				15.50%		249,627.50
								-
	12/19/2007	249,627.50				15.50%		249,627.50
								-
	06/19/2008	249,627.50				15.50%		249,627.50
								-
			19-Jun-08	22-Oct-08	123	15.50%	360	170,578.79
								-
TOTAL INTEREST								2,731,273.79

2. Interest on interest

		Payment of	Due on	To	Days	Rate		Interest on Interest
		112,735.00	19-Jun-02	22-Oct-08	2317	9%	365	64,407.20
		112,735.00	19-Dec-02	22-Oct-08	2134	9%	365	59,320.23
		112,735.00	19-Jun-03	22-Oct-08	1952	9%	365	54,261.05
		112,735.00	19-Dec-03	22-Oct-08	1769	9%	365	49,174.08

No. 503 - Pier Luigi Catto - Costantino Catto - Giuseppe Catto - Calculations

C. Bond 3 Global 04-07-2009	ISIN US040114BE93	RATE 11,75% (assuming 10/22/2008)
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Notice of Acceleration - February 7, 2007

1. Interest on principal

[illegible]

2. Interest on interest

		Payment	Due	To	Days	Rate		Interest
		of	on					on Interest
		126,018.75	7-Apr-02	22-Oct-08	2390	9%	365	74,264.75
		126,018.75	7-Oct-02	22-Oct-08	2207	9%	365	68,578.37

		126,018.75	7-Apr-03	22-Oct-08	2025	9%	365	62,923.06
		126,018.75	7-Oct-03	22-Oct-08	1842	9%	365	57,236.68
		126,018.75	7-Apr-04	22-Oct-08	1659	9%	365	51,550.30
		126,018.75	7-Oct-04	22-Oct-08	1476	9%	365	45,863.92
		126,018.75	7-Apr-05	22-Oct-08	1294	9%	365	40,208.61
		126,018.75	7-Oct-05	22-Oct-08	1111	9%	365	34,522.23
		126,018.75	7-Apr-06	22-Oct-08	929	9%	365	28,866.93
		126,018.75	7-Oct-06	22-Oct-08	746	9%	365	23,180.54
		126,018.75	7-Apr-07	22-Oct-08	564	9%	365	
		126,018.75	7-Oct-07	22-Oct-08	381	9%	365	
		126,018.75	7-Apr-08	22-Oct-08	198	9%	365	
		126,018.75	7-Oct-08	22-Oct-08	15	9%	365	
TOTAL INTEREST ON INTEREST								487,195.39

3. TOTAL DUE ON BOND 3

Principal Amount								2,145,000.00
Total on Interest								1,774,764.06
Total Interest on interest								487,195.39
TOTAL								4,406,959.46

No. 503 Pier Luigi Catto - Costantino Catto - Giuseppe Catto - Calculations

D. Bond 4 Global 03-15-2010 ISIN US040114FC91 RATE 11,375% (assuming 10/22/2008)

Notice of Acceleration - February 7, 2007

1. Interest on principal

Principal	Missed Interest payments		Partial Interest					Interest
Amount	Maturity	Interest	From	To	Days	Rate	360	on
	Date							Principal
5,220,000.00	03-15-2002	296,887.50						296,887.50
	09-15-2002	296,887.50						296,887.50
								-
	03-15-2003	296,887.50						296,887.50
								-
	09-15-2003	296,887.50						296,887.50
								-
	03-15-2004	296,887.50						296,887.50
								-
	09-15-2004	296,887.50						296,887.50
								-
	03-15-2005	296,887.50						296,887.50
								-
	09-15-2005	296,887.50						296,887.50
								-
	03-15-2006	296,887.50						296,887.50
	09-15-2006	296,887.50						296,887.50
	03-15-2007	296,887.50						296,887.50
	09-15-2007	296,887.50						296,887.50
	03-15-2008	296,887.50						296,887.50
	09-15-2008	296,887.50						296,887.50
			15-Sep-08	22-Oct-08	37	11.375%	360	61,026.88
TOTAL INTEREST								4,217,451.88

2. Interest on interest

		Payment	Due	To	Days	Rate		Interest
		of	on					on Interest
		296,887.50	15-Mar-02	22-Oct-08	2413	9%	365	176,644.00
		296,887.50	15-Sep-02	22-Oct-08	2229	9%	365	163,174.25
		296,887.50	15-Mar-03	22-Oct-08	2048	9%	365	149,924.12

		296,887.50	15-Sep-03	22-Oct-08	1864	9%	365	136,454.38
		296,887.50	15-Mar-04	22-Oct-08	1682	9%	365	123,131.04
		296,887.50	15-Sep-04	22-Oct-08	1498	9%	365	109,661.30
		296,887.50	15-Mar-05	22-Oct-08	1317	9%	365	96,411.17
		296,887.50	15-Sep-05	22-Oct-08	1133	9%	365	82,941.42
		296,887.50	15-Mar-06	22-Oct-08	952	9%	365	69,691.29
		296,887.50	15-Sep-06	22-Oct-08	768	9%	365	56,221.55
		296,887.50	15-Mar-07	22-Oct-08	587	9%	365	
		296,887.50	15-Sep-07	22-Oct-08	403	9%	365	
		296,887.50	15-Mar-08	22-Oct-08	221	9%	365	
		296,887.50	15-Sep-08	22-Oct-08	37	9%	365	
TOTAL INTEREST ON INTEREST								1,164,254.50

3. TOTAL DUE ON BOND 4

Principal Amount								5,220,000.00
Total on Interest								4,217,451.88
Total Interest on interest								1,164,254.50
TOTAL								10,601,706.37

[illegible]

		129,690.00	21-Feb-03	22-Oct-08	2070	9.00%	365	66,195.20
		129,690.00	21-Aug-03	22-Oct-08	1889	9.00%	365	60,407.11
		129,690.00	21-Feb-04	22-Oct-08	1705	9.00%	365	54,523.10
		129,690.00	21-Aug-04	22-Oct-08	1523	9.00%	365	48,703.04
		129,690.00	21-Feb-05	22-Oct-08	1339	9.00%	365	42,819.02
		-						
		129,690.00	21-Aug-05	22-Oct-08	1158	9.00%	365	37,030.94
		-						
		129,690.00	21-Feb-06	22-Oct-08	974	9.00%	365	31,146.92
		129,690.00	21-Aug-06	22-Oct-08	793	9.00%	365	25,358.84
		129,690.00	21-Feb-07	22-Oct-08	609	9.00%	365	
		129,690.00	21-Aug-07	22-Oct-08	428	9.00%	365	
		129,690.00	21-Feb-08	22-Oct-08	244	9.00%	365	
		129,690.00	21-Aug-08	22-Oct-08	62	9.00%	365	
TOTAL INTEREST ON INTEREST								516,130.67

3. TOTAL DUE ON BOND 5

Principal Amount								2,096,000.00
Total on Interest								1,859,610.50
Total Interest on interest								516,130.67
TOTAL								4,471,741.17